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10	ATTORNEYS FOR PLAINTIFFS					
<ul><li>11</li><li>12</li><li>13</li><li>14</li></ul>	SUPERIOR COURT OF THE					
15 16 17 18 19 20 21 22 23	PROVIEW ELECTRONICS CO. LIMITED, and PROVIEW TECHNOLOGY, INC.  Plaintiffs,  vs.  APPLE INC. and IP APPLICATION DEVELOPMENT LIMITED, and DOES 1-25  Defendants	No. 112 CV 219219  COMPLAINT FOR FRAUD - INTENTIONAL  MISREPRESENTATION; FRAUD - CONCEALMENT; FRAUDULENT INDUCEMENT; UNFAIR COMPETITION.				
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COMPLAINT

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Plaintiffs Proview Electronics Co., Ltd. and Proview Technology, Inc. (collectively "Proview") hereby allege:

#### I. THE PARTIES

- 1. Plaintiff Proview Electronics Co., Ltd. ("<u>Proview Taiwan</u>") is a Taiwanese corporation with its principal place of business at 20F., No.1, Baosheng Rd., Yonghe City, Taipei County 234, Tai-wan, Republic of China
- 2. Plaintiff Proview Technology, Inc. ("<u>Proview USA</u>") is a California corporation with its principal place of business at 3191 W. Temple Avenue, Pamona, CA 91768.
- 3. Defendant Apple Inc. ("<u>Apple</u>") is a corporation organized and existing under the laws of the State of California and has its principal place of business at One Infinite Loop, Cupertino, CA 95014. Apple may be served through its registered agent C T Corporation System at 818 W Seventh Street, Los Angeles, CA 90017.
- 4. Upon information and belief, Defendant IP Application Development Limited ("IPADL") is a corporation organized and existing under the laws of England with its principal place of business at 3rd Floor, 28 Ely Place, London EC1N6AA, United Kingdom.
- 5. The identities of Does1–25 are not presently known to Plaintiff sat this time. Plaintiff believes that information obtained through discovery will lead to the identification of these Doe Defendants' true names.
- 6. Apple, IPADL and Does 1-25 are herein collectively referred to as "**Defendants**."

### II. JURISDICTION AND VENUE

7. This Court has jurisdiction over all causes of action asserted in this Complaint pursuant to the California Constitution, Article VI, § 10 and the California Code of Civil Procedure § 410.10.

8. Venue is proper in this Court pursuant to California Code of Civil Procedure §§ 395 and 395.5 because all the Defendants reside or do business in the County of Santa Clara.

#### III. FACTUAL BACKGROUND

- A. Proview develops and markets a portable-touchscreen device called the iPad.
- 9. Proview International Holdings Limited, the parent company of the Plaintiffs, was one of the top five computer monitor manufacturers in the world. It is listed on the Hong Kong Stock Exchange ("<u>HKSE</u>") and has operations and offices located all over the world, including Taiwan, mainland China, Hong Kong, England, and parts of Europe.
- 10. In the late 1990s there was a trend towards the creation of internet appliances, which were consumer devices whose main function was to provide access to the internet and email.
- 11. In response to this trend, Proview International Holdings began jointly developing an internet appliance called the iPAD with National Semiconductor, which was described as an all-in-one internet terminal with a built-in 15-inch color monitor.
- 12. In August of 2000, Proview Group and the National Semiconductor held a press conference to announce and promote their iPAD products on a global basis. (See below.)

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- 13. Between February 24, 2000 and April 1, 2003, Proview Electronics Co. Ltd. filed for and received registered trademarks for "I PAD," "IPAD," or "iPAD" in the European Union, South Korea, Mexico, Singapore, Indonesia, Thailand, and Vietnam.
- 14. In 2001, Proview Shenzhen applied to the China Trademark Office for the registration the IPAD trademark in Class 9 goods (trademark registration numbers 1590557 and 1682310).
- 15. In 2005, Proview entered into a strategic alliance with Motorola to develop and launch an internet television that used the iPad's core technology.
- 16. In mid-2008, Proview Shenzhen began cooperating with Elitegroup Computer Systems and Shenzhen Zhicheng Limited to develop an iPAD all-in-one computer and netbook.
- 17. In the second half of 2008, Proview's top two customers, Polaroid Corporation and Circuit City, filed for bankruptcy protection. This, in combination with the global financial crisis, caused Proview's business to stagnate due to excessive

inventory and lack of available credit. As a result, Proview was forced to begin a reorganization process.

### B. Apple uses deception to acquire the IPAD trademark from Proview.

- 18. Upon information and belief, in 2009 Apple began investigating the ownership trademarks associated with the name iPad in preparation for the proposed announcement and launch of its iPad branded device in early 2010. This investigation found that Proview had registered the IPAD trademark in a number of countries. Apple decided to acquire these registered trademarks.
- 19. On August 11, 2009, Apple's lawyers at Edwards Angell Palmer & Dodge incorporated a company named IP Application Development Limited in the United Kingdom to serve as a "special purpose" entity whose sole purpose was to obtain the iPad trademarks while obscuring the relationship between Apple and the acquisition of the iPAD trademarks. The name IP Application Development Limited was deliberately chosen because its abbreviation is iPAD—<u>IP Application Development</u>.
- 20. On or about August 11, 2009, Timothy Lo, the Managing Director of Proview International (UK) Limited, received a call from a man who identified himself as Jonathan Hargreaves. Mr. Hargreaves was interested in a possible assignment of Proview's IPAD trademarks to a company called IP Application Development Limited. It was later revealed in an affidavit submitted by Apple on May 20, 2010 to Hong Kong Court that "Jonathan Hargreaves" was an alias for someone named Graham Robinson:

From about 11 August 2009, IPADL's agent, Graham Robinson ("Mr. Robinson"), using the pseudonym Jonathan Hargreaves, started to engage the Proview Group in discussions and negotiations with a view to acquiring the Trade Marks. The Proview

21. After exchanging several emails, on August 26, 2009, Mr. Lo emailed Mr. Hargreaves to ask what IP Application Development's full name and address were and what the main activity of the company would be.

22. On August 28, 2009, Mr. Hargreaves provided Mr. Lo with the full name and address of IP Application Development Limited and stated that the company was going "to be involved in the computer field." Mr. Hargreaves also assured Mr. Lo that his company would not be competing with Proview:

From: Jonathan Hargreaves [ Sent: 28 August 2009 20:08 To: Timothy Lo (Proview UK)

Subject: Re: Interest in IPAD trade marks

Hi Tim,

Thanks very much for your message. Our company is IP Application Development Limited which has its address at 34 Hansells Mead, Roydon, Essex, CM19 5HZ. The intention is for the company to be involved in the computer field, but since we have only just incorporated, it is premature to disclose more than that. In any event we will not be competing with your company.

- 23. On September 3, 2009, Mr. Lo wrote back to Mr. Hargreaves to ask (i) why IP Application Development Limited wanted the trademark, (ii) whether IP Application Development Limited wanted to license or purchase the trademark, (iii) how much IP Application Development Limited was willing to pay, and (iv) what the terms and conditions of the license or purchase would be.
- 24. On September 8, 2009, in response to Mr. Lo's email, Mr. Hargreaves stated that IP Application Development Limited wanted the IPAD trademark because it "is an abbreviation for the company name IP Application Development Limited" and, once again, assured Mr. Lo in writing that his company would "not compete with Proview."

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From: Jonathan Hargreaves [ Sent: 08 September 2009 08:02 To: Timothy Lo (Proview UK )

Subject: Re: Interest in IPAD trade marks

Dear Tim

Thank you for your message. We would like to buy the trademark, rather than license it. We do not think this will require any complicated business terms, and could be accomplished in a simple transfer document, with payment being made from our company to Proview as soon as the papers are signed.

**[**]

IPAD is an abbreviation for the company name <u>IP Application Development Limited</u>. This is a newly formed company, and I'm sure you can understand that we are not yet ready to publicize what the company's business is, since we have not yet made any public announcements. As I said in my last message, I can assure you that the company will not compete with Proview...

- 25. Knowing that Proview was having financial difficulties on October 21, 2009 Mr. Hargreaves threatened to initiate legal action to cancel Proview's trademarks, which would have caused Proview to incur significant costs in opposing such an action, if Proview did not agree to sell them.
- 26. After several months of additional back and forth between Proview and Mr. Hargreaves, the IP Application Development Limited entered into an agreement with Proview Electronics Co., Ltd. on December 23, 2009 to purchase all IPAD related trademarks owned by Proview Electronics Co., Ltd. for the sum of £35,000 British Sterling (the "Agreement"). The signatory for IP Application Electronics was Hayden Calvin Wood.
- 27. One month later, on January 27, 2010, Apple announced the introduction of its tablet computer called the "iPad." Apple's iPad went on sale in the U.S. market on April 3, 2010.

### FIRST CAUSE OF ACTION (FRAUD - INTENTIONAL MISREPRESENTATION)

28. Plaintiffs incorporate by reference paragraphs 1-27 as though set forth herein.

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- 29. On or about August 10, 2009, Defendants' agent, Graham Robinson, represented and stated to Plaintiff that his name was Jonathan Hargreaves. This statement was false and untrue. Defendants knew this statement was false when Mr. Robinson made it.
- 30. On August 28, 2009, Defendants' agent, Graham Robinson, represented and stated that IP Application Development Limited would be involved in the computer field. This statement was false and untrue. IP Application Development Limited was incorporated by Apple a special purpose entity for the sole purpose of acquiring IPAD related trademarks. Defendants knew this statement was false when Mr. Robinson made it.
- 31. On August 28, 2009, Defendants' agent, Graham Robinson, represented and stated that IP Application Development Limited would not use the IPAD trademark to compete with Proview. This statement was false and untrue. IP Application Development Limited's sole intent was to acquire Proview's IPAD trademarks for Apple's use. Apple is a competitor of Proview. Accordingly, Defendants knew this statement was false when Mr. Robinson made it.
- 32. On September 8, 2009, Defendants' agent, Graham Robinson, represented and stated that IP Application Development Limited would not use the IPAD trademark to compete with Proview. This statement was false and untrue. IP Application Development Limited's sole intent was to acquire Proview's IPAD trademarks for Apple's use. Apple is a direct competitor of Proview. Accordingly, Defendants knew this statement was false when Mr. Robinson made it.
- 33. On September 8, 2009, Defendants' agent, Graham Robinson, represented and stated that <u>IP Application Development Limited</u> wanted the IPAD trademark because it "is an abbreviation for the company name IP Application Development Limited." This statement was false and untrue. IP Application Development Limited was specifically incorporated as a special purpose entity to acquire Proview's IPAD trademarks for Apple

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so that Apple could use them for its new tablet computer. Accordingly, Defendants knew this statement was false when Mr. Robinson made it.

- 34. The Defendants made the foregoing misrepresentations, with the intent to defraud and induce the Plaintiffs to enter into the Agreement described in paragraph 26. The Plaintiffs did not know these representations were false and believed that they were true. Plaintiffs acted in justifiable reliance upon the truth of the representations.
- 35. As a further direct, proximate result of Defendants' misrepresentations and acts of concealments Plaintiffs will suffer substantial harm and injury under the Agreement if it is not rescinded in that Plaintiffs will have been deprived of the benefit of its bargain and will have obtained insufficient consideration.
- 36. As a further direct, proximate result of Defendants' misrepresentations and acts of concealment, Plaintiffs have and will continue to be damaged in an amount to be proven at trial.
- 37. In performing the acts set forth above, Defendants acted with oppression, fraud and/or malice, entitling Plaintiffs to exemplary damages in an amount to be proven at trial.

WHEREFORE, Plaintiffs pray for judgment as set forth below.

# SECOND CAUSE OF ACTION (FRAUD - CONCEALMENT)

- 38. Plaintiffs incorporate by reference paragraphs 1-37 as though set forth herein field.
- 39. Defendants concealed or suppressed material facts by telling Plaintiffs other facts, as described above, to mislead Plaintiffs and prevent Plaintiffs from discovering the concealed or suppressed facts.
- 40. The Defendants concealed or suppressed these facts with the intent to defraud and induce the Plaintiff to enter into the Agreement described in paragraph 26. The

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Plaintiffs did not know these representations were false and believed that they were true. Plaintiffs acted in justifiable reliance upon the truth of the representations.

- 41. As a further direct, proximate result of Defendants' misrepresentations and acts of concealment, Plaintiffs have and will continue to be damaged in an amount to be proven at trial.
- 42. As a further direct, proximate result of Defendants' misrepresentations and acts of concealments Plaintiffs will suffer substantial harm and injury under the Agreement if it is not rescinded in that Plaintiffs will have been deprived of the benefit of its bargain and will have obtained insufficient consideration.
- 43. In performing the acts set forth above, Defendants acted with oppression, fraud and/or malice, entitling Plaintiffs to exemplary damages in an amount to be proven at trial.

WHEREFORE, Plaintiffs pray for judgment as set forth below.

## THIRD CAUSE OF ACTION (FRAUDULENT INDUCEMENT)

- 44. Plaintiffs incorporate by reference paragraphs 1-43 as though set forth herein field.
- 45. Defendants concealed or suppressed material facts by telling Plaintiffs facts, as described above, to mislead Plaintiffs and prevent Plaintiffs from discovering the concealed or suppressed facts.
- 46. The Defendants concealed or suppressed these facts with the intent to defraud and induce the Plaintiff to enter into the Agreement described in paragraph 26. The Plaintiffs did not know these representations were false and believed that they were true. Plaintiffs acted in justifiable reliance upon the truth of the representations, and their consent to enter into the Agreement was therefore induced by fraud.
- 47. As a further direct, proximate result of Defendants' misrepresentations and acts of concealments Plaintiffs will suffer substantial harm and injury under the Agreement

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if it is not rescinded in that Plaintiffs will have been deprived of the benefit of its bargain and will have obtained insufficient consideration.

- 48. As a further direct, proximate result of Defendants' misrepresentations and acts of concealment, Plaintiffs have been and will continue to be damaged in an amount to be proven at trial.
- 49. In performing the acts set forth above, Defendants acted with oppression, fraud and/or malice, entitling Plaintiffs to exemplary damages in an amount to be proven at trial.

WHEREFORE, Plaintiffs pray for judgment as set forth below.

### FOURTH CAUSE OF ACTION (UNFAIR COMPETITION)

- 50. Plaintiffs incorporate by reference paragraphs 1-49 as though set forth herein.
- 51. Defendants actions as alleged above constitute common-law unfair competition and unlawful and unfair business practices proscribed by California Business and Professions Code section 17200, et seq.
- 52. Unless defendants are restrained by appropriate injunctive relief as requested below, Plaintiffs will suffer irreparable harm for which there is no adequate remedy at law. Under California Business and Professions Code § 17203, Proview is entitled to preliminary and permanent injunctive relief order Defendants to cease this unfair competition, as well as disgorgement of all of Defendant's profits associated with this unfair competition.

WHEREFORE, Plaintiffs pray for judgment as set forth below.

#### IV. PRAYER

WHEREFORE, Plaintiffs pray for judgment against the Defendants as follows:

- A. For compensatory damages according to the proof;
- B. For punitive damages according to the proof;

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1	C.	For rescission of t	the Agreement entered into on December 23, 2009	
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3	D.	For Defendant Ap	ople Inc. to be preliminary and permanently enjoined from	
4	using the IPAD trademarks listed in Schedule A of the Agreement entered into on December 23, 2009 between Proview Electronics Co., Ltd. and IP Application Development Limited;			
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7	E.	For attorney's fee	s and costs; and	
8	F.	Such other any other	her and further relief as the Court may deem proper.	
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10	Dated: Febr	uary 17, 2012	GCA LAW PARTNERS LLP	
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12			V.M. ×10 - 7	
13			By:	
14   15			JILL F. KOPEIKIN	
16			Attorneys for Plaintiffs Proview Electronics Co. Ltd, And Proview Technology, Inc.	
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